MISSING TO

. December 1954

TITUATION IN SOUTH VIETNAM

- 1. Ouster of General High highlights Bao Dai & growing tendency to threw in lot with Us.
 - A. Immediate cause of action presumably Hinh's statement to press he would return Saigon what-ever Eac Dai & decision may be.
 - 8. Terms of dismissal decree, charging Sinb with disobedience, and care Blo Dal abandening earlier equivocal stand.
- Army-government reconciliation will not result automatically, Winb capable of causing further trouble.
 - A. Once stated he would oppose Diem politically
 - 8. Recently boasted he could carry out coup from Paris by telegram.
 - C. Reportedly had systematically begun putting his own men in as unit commanders before leaving for Paris.
 - O. Tession within army still high despite smoothing over of recent pro-Diem demonstration.
 - E. Generally Ely recently velced suspicion that acting chief of staif Vy had sworn loyalty to Minh: expressed fear Diem-Hinh lend might be replaced by Diem-Vy dispute.

25X

(h) "

4.25

- F. Wy does to lack lien's confidence.
- III. Actually, High is political lightweight, but French backing could offset this.
 - A. French officials who have backed high could switch to other anti-Dies champions.
 - B. French army officers have vested interest in continuance of anti-Diem feeling in army, since Diem favors Us takeover of training responsibility.
 - C. Accent official French broadcast from Balgon

 Criticized Diem, warned Viets against "heavy hand"

 of US. Vietness army radio, before and since

 Binh & departure, has followed same line.
- IV. Meanwhile, Viet Minh making capital of chaos in south.
 - A. Viet Minn propagandists exploiting Vietnam army radio criticism of Diem as instance of US bolstering of unpopular government.
 - B. Viet Minh continuing to consolidate shadow government over much of southern Vietnam despite formal troop withdrawal.